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## New Plan to Save Sailors from Payday Lenders

The Navy and the California Reinvestment Coalition (CRC) are working with various banking institutions to provide low-cost consumer loans or “quick consumer loans” to Sailors as an alternative to using payday, or predatory, lenders.

The Navy recently coordinated with California government officials and the CRC about providing a safer consumer loan to Sailors to aid in preventing them from getting into financial trouble.

Some of the more serious problems with some payday loans include annual percentage rates (APR) of up to 400 percent to 500 percent and no provisions for borrowers to make partial payments.

The proposed basic consumer loan would give Sailors new options such as set interest rates at 30 percent APR and penalty-free partial payments. Not only would the loan not exceed 25 percent of the borrower's income, but also would consist of a loan limit of \$500.

